

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Power and Light Company For Authority to
Adjust Retail Electric and Natural Gas Rates

6680-UR-116

FINAL DECISION

This is the Final Decision regarding the application of Wisconsin Power and Light Company (WP&L) for authority to change retail electric and natural gas rates on January 1, 2009.

Final overall rate changes are authorized consisting of no increase in rates for Wisconsin retail electric operations and a \$3,884,000 annual rate decrease for natural gas operations, a 1.14 percent decrease, for the test year ending December 31, 2009.

Introduction

On February 22, 2008, WP&L filed an application with the Commission requesting authority to change its retail electric and natural gas rates on January 1, 2009. WP&L requested a \$93,311,000 (9.2 percent) increase for electric operations and an \$814,000 (0.3 percent) decrease for natural gas operations. WP&L's retail electric increase was based on a January 1 through December 31, 2009, test year. WP&L also requested that the Commission reopen this rate case in 2009 and set retail electric revenue requirements to be effective January 1, 2010, based upon increased costs for major construction projects for the test year from January 1 through December 31, 2010. WP&L's natural gas decrease was based on a simple average of a \$2,195,000 decrease for the January 1 through December 31, 2009, test year and a \$567,000 increase for the January 1 through December 31, 2010, test year.

Prehearing conferences were held at the Commission on May 29 and August 13, 2008. Hearings were held at the Commission for technical issues and in Janesville and Fond du Lac for public comment on September 10, 2008.

The parties for purposes of review under Wis. Stat. §§ 227.47 and 227.53 are listed in Appendix A. Others who appeared are listed in the Commission's files.

On December 16, 2008, WP&L filed a Stipulation with the Citizens' Utility Board and the Wisconsin Industrial Energy Group regarding the resolution of specific issues. Also on December 16, 2008, WP&L filed separate Stipulations with the Wisconsin End-User Gas and Electric Association and Sierra Club regarding the resolution of specific issues. These three Stipulations are found in Appendix D.

The Commission considered this matter at its open meeting on December 18, 2008.

2005 Wisconsin Act 141 (Act 141) Costs in Base Rates

WP&L's large energy customers receive service under its Gs-1, Gs-3, Rw-1, Cg-2, Cg-2TOD, Cp-1, and Cp-2 electric rate tariffs. The Act 141 cost in base rates for the Gs-1, Gs-3, and Rw-1 rate classes is \$0.00150 per kWh. The Act 141 cost in base rates for the Cg-2, Cg-2TOD, Cp-1, and Cp-2 rate classes is \$0.00100 per kWh. Based on the Act 141 limits, the large energy customers will pay the specific conservation costs associated with public benefits that they paid in 2005 less the authorized per kWh amounts of Act 141 costs included in base rates, which are listed above. As shown in Exhibit 68, the amounts the large energy customers in the Gs-1, Gs-3, Rw-1, Cg-2, Cg-2TOD, Cp-1, and Cp-2 rate classes paid in 2005 are approximately \$0.00064, \$0.00065, \$0.00133, \$0.00062, \$0.00062, \$0.00054, and \$0.00054 per kWh, respectively.

Natural Gas Rates

Natural gas rates are decreased by first prorating the overall decrease of \$3,884,000 to the various service rate classes based on their respective current distribution margin revenues and then decreasing the volumetric distribution margin rates accordingly.

Conclusions of Law

The Commission concludes it has jurisdiction under Wis. Stat. §§ 1.12, 196.02, 196.025, 196.03, 196.19, 196.20, 196.21, 196.37, 196.374, 196.395, and 196.40 and Wis. Admin. Code chs. PSC 113, 116, and 134 to enter a Final Decision authorizing WP&L to place in effect the rates and rules for electric and natural gas utility service set forth in Appendices B and C, subject to the conditions specified in this Final Decision. Such rates and rules for electric and natural gas utility service in Appendices B and C are reasonable and appropriate as a matter of law.

Order

1. The Commission adopts the Stipulations as shown in Appendix D.
2. This Final Decision shall be effective on the date of mailing. The authorized rates and rules take effect on January 1, 2009. WP&L shall file the authorized rates and rules with the Commission and place them in all of its offices and pay stations no later than December 31, 2008.
3. WP&L shall revise its existing rates and rules for electric and natural gas service using the rate and rule changes authorized in this Final Decision and as shown in Appendices B and C.

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4. Jurisdiction is retained.

Dated at Madison, Wisconsin, December 30, 2008

By the Commission:



Sandra J. Paske
Secretary to the Commission

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See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
610 North Whitney Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of mailing of this decision, as provided in Wis. Stat. § 227.49. The mailing date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. The petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of mailing of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of mailing of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission mailed its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised July 3, 2008

¹ See *State v. Currier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

APPENDIX A
(CONTESTED)

In order to comply with Wis. Stat. § 227.47, the following parties who appeared before the agency are considered parties for purposes of review under Wis. Stat. § 227.53.

Public Service Commission of Wisconsin
(Not a party but must be served)
610 N. Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

WISCONSIN POWER AND LIGHT COMPANY

Theresa M. Hottenroth
4902 North Biltmore Lane
Madison, WI 53707

CITIZENS UTILITY BOARD

Curt F. Pawlisch
Kira E. Loehr
Cullen Weston Pines & Bach LLP
122 West Washington Avenue, Suite 900
Madison, WI 53703

RENEW WISCONSIN

Michael Vickerman
222 South Hamilton Street
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SIERRA CLUB

Linda M. Clifford
Linda Clifford Law Office, LLC
44 East Mifflin Street, Suite 800
Madison, WI 53703

WAL-MART STORES EAST LP

Rick D. Chamberlain
Behrens, Taylor, Wheeler & Chamberlain
6 N.E. 63rd, Suite 400
Oklahoma City, OK 73102

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WISCONSIN ELECTRIC POWER COMPANY

Leslie J. Durski
231 West Michigan Street, P321
Milwaukee, WI 53203

WISCONSIN END-USER GAS AND ELECTRIC ASSOCIATION

Darcy Fabrizio
PO Box 2226
Waukesha, WI 53187-2226

WISCONSIN INDUSTRIAL ENERGY GROUP

Steven A. Heinzen
Godfrey & Kahn, S.C.
1 East Main Street, Suite 500
Madison, WI 53703

WISCONSIN PAPER COUNCIL

Earl J. Gustafson
PO Box 718
Neenah, WI 54957-0718

WISCONSIN PUBLIC SERVICE CORPORATION

Bradley D. Jackson
Foley and Lardner LLP
150 East Gilman Street
Madison, WI 53703

WISCONSIN PUBLIC POWER INC.

Paul G. Kent
Anderson & Kent, S.C.
1 North Pinckney Street, Suite 200
Madison, WI 53703

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	AUTHORIZED RATES
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GENERAL SERVICE, Gs-1

Equivalent Monthly Customer Charge:	Single-phase	\$7.67	\$7.67
	Three-phase	\$15.55	\$15.55
Daily Customer Charge:	Single-phase	\$0.2522	\$0.2522
	Three-phase	\$0.5113	\$0.5113
Energy Charge (per kWh):	Summer	11.0100 ¢	11.1530 ¢
	Non-Summer	10.0100 ¢	10.1530 ¢
Act 141 \$ in Base Rates		NA	0.1500 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		NA	0.0640 ¢
Primary Voltage Discount		2.50%	2.50%
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

GENERAL SERVICE TIME-OF-DAY, Gs-3

Equivalent Monthly Customer Charge:	Single-phase	\$7.67	\$7.67
	Three-phase	\$15.55	\$15.55
Daily Customer Charge:	Single-phase	\$0.2522	\$0.2522
	Three-phase	\$0.5113	\$0.5113
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	18.8760 ¢	19.0190 ¢
	Non-Summer	17.8420 ¢	17.9850 ¢
Off-Peak (12 hr.):	Summer	4.9030 ¢	5.0460 ¢
	Non-Summer	4.9030 ¢	5.0460 ¢
On-Peak (14 hr.):	Summer	17.9770 ¢	18.1200 ¢
	Non-Summer	16.9920 ¢	17.1350 ¢
Off-Peak (10 hr.):	Summer	4.9030 ¢	5.0460 ¢
	Non-Summer	4.9030 ¢	5.0460 ¢
Act 141 \$ in Base Rates		NA	0.1500 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		NA	0.0650 ¢
Primary Voltage Discount		2.50%	2.50%
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

GENERAL SERVICE NON-METERED, Gs-4

Equivalent Monthly Customer Charge		\$5.70	\$5.70
Daily Customer Charge		\$0.1874	\$0.1874
Energy Charge (per kWh)	Summer	10.7500 ¢	10.8930 ¢
	Non-Summer	9.7100 ¢	9.8530 ¢
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	AUTHORIZED RATES
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CONTROLLED WATER HEATING 17 HR. SERVICE, Rw-1

Equivalent Monthly Customer Charge	\$3.42	\$3.42
Daily Customer Charge	\$0.1125	\$0.1125
Energy Charge (per kWh):		
Summer	9.6630 ¢	9.8060 ¢
Non-Summer	9.1030 ¢	9.2460 ¢
Act 141 \$ in Base Rates	NA	0.1500 ¢
Approx. Act 141 \$ in Lg.Cust. Rates	NA	0.1330 ¢
Fuel Adjustment Clause (per kWh)	0.1435 ¢	0.0000 ¢

CONTROLLED WATER HEATING 11 HR. SERVICE, Rw-3

Equivalent Monthly Customer Charge	\$3.42	\$3.42
Daily Customer Charge	\$0.1125	\$0.1125
Energy Charge (per kWh)		
Summer	6.6990 ¢	6.8420 ¢
Non-Summer	6.1380 ¢	6.2810 ¢
Fuel Adjustment Clause (per kWh)	0.1435 ¢	0.0000 ¢

GENERAL SERVICE TIME-OF-DAY with WATER HEATING, Gw-1

Equivalent Monthly Customer Charge	\$7.67	\$7.67
Daily Customer Charge	\$0.2522	\$0.2522
Energy Charge (per kWh):		
On-Peak (12 hr.):		
Summer	17.7390 ¢	17.8820 ¢
Non-Summer	16.6960 ¢	16.8390 ¢
Off-Peak (12 hr.):		
Summer	4.6660 ¢	4.8090 ¢
Non-Summer	4.6660 ¢	4.8090 ¢
On-Peak (14 hr.):		
Summer	16.8940 ¢	17.0370 ¢
Non-Summer	15.9010 ¢	16.0440 ¢
Off-Peak (10 hr.):		
Summer	4.6660 ¢	4.8090 ¢
Non-Summer	4.6660 ¢	4.8090 ¢
Fuel Adjustment Clause (per kWh)	0.1435 ¢	0.0000 ¢

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	AUTHORIZED RATES
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COMMERCIAL SERVICE -- STANDARD, Cg-2

Equivalent Monthly Customer Charge:	Single-phase	\$24.88	\$24.88
	Three-phase	\$28.00	\$28.00
Daily Customer Charge:	Single-phase	\$0.8180	\$0.8180
	Three-phase	\$0.9205	\$0.9205
Firm Demand Charges (per kW):	Summer	\$9.23	\$9.23
	Non-Summer	\$7.88	\$7.88
Customer Demand Charge		\$2.00	\$2.00
Energy Charge (per kWh):	Summer	5.9500 ¢	6.0930 ¢
	Non-Summer	4.8720 ¢	5.0150 ¢
Energy Limiter (per kWh):		13.6910 ¢	13.8340 ¢
Act 141 \$ in Base Rates		NA	0.1000 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		NA	0.0620 ¢
Primary Voltage Discount		2.50%	2.50%
Customer Demand Discount (per kW)		\$0.22	\$0.22
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

COMMERCIAL SERVICE -- Cg-2 TOD

Equivalent Monthly Customer Charge:	Single-phase	\$24.88	\$24.88
	Three-phase	\$28.00	\$28.00
Daily Customer Charge:	Single-phase	\$0.8180	\$0.8180
	Three-phase	\$0.9205	\$0.9205
Firm Demand Charges (per kW):	Summer 12 hr. On-pk	\$9.60	\$9.60
	Non-Summer	\$8.20	\$8.20
	Summer 14 hr. On-pk	\$9.23	\$9.23
	Non-Summer	\$7.88	\$7.88
Customer Demand Charge		\$2.00	\$2.00
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	7.2900 ¢	7.4330 ¢
	Non-Summer	6.2220 ¢	6.3650 ¢
Off-Peak (12 hr.):	Summer	4.0570 ¢	4.2000 ¢
	Non-Summer	4.0570 ¢	4.2000 ¢
On-Peak (14 hr.):	Summer	7.0100 ¢	7.1530 ¢
	Non-Summer	5.9830 ¢	6.1260 ¢
Off-Peak (10 hr.):	Summer	4.0570 ¢	4.2000 ¢
	Non-Summer	4.0570 ¢	4.2000 ¢
Act 141 \$ in Base Rates		NA	0.1000 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		NA	0.0620 ¢
Primary Voltage Discount		2.50%	2.50%
Customer Demand Discount (per kW)		\$0.22	\$0.22
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	AUTHORIZED RATES
INDUSTRIAL SERVICE, Cp-1			
Equivalent Monthly Customer Charge		\$233.30	\$233.30
Daily Customer Charge		\$7.6700	\$7.6700
Firm Demand Charges (per kW):	Summer 12 hr. On-pk	\$11.79	\$11.79
	Non-Summer	\$10.36	\$10.36
	Summer 14 hr. On-pk	\$11.23	\$11.23
	Non-Summer	\$9.87	\$9.87
Customer Demand Charge		\$2.00	\$2.00
Cp-1C Standby Demand Charge		\$3.00	\$3.00
Interruptible Demand Charges:			
1 Hr. Notice (12 hr):	Summer	\$7.76	\$7.76
	Non-Summer	\$6.33	\$6.33
Instantaneous (12 hr):	Summer	\$6.87	\$6.87
	Non-Summer	\$5.44	\$5.44
1 Hr. Notice (14 hr):	Summer	\$7.20	\$7.20
	Non-Summer	\$5.84	\$5.84
Instantaneous (14 hr):	Summer	\$6.31	\$6.31
	Non-Summer	\$4.95	\$4.95
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	6.5640 ¢	6.7070 ¢
	Non-Summer	5.6080 ¢	5.7510 ¢
Off-Peak (12 hr.):	Summer	3.5930 ¢	3.7360 ¢
	Non-Summer	3.5930 ¢	3.7360 ¢
On-Peak (14 hr.):	Summer	6.2510 ¢	6.3940 ¢
	Non-Summer	5.3410 ¢	5.4840 ¢
Off-Peak (10 hr.):	Summer	3.5930 ¢	3.7360 ¢
	Non-Summer	3.5930 ¢	3.7360 ¢
Energy Limiter (per kWh):	Summer	13.6910 ¢	13.8340 ¢
Energy Limiter (per kWh):	Non-Summer	13.6910 ¢	13.8340 ¢
Load Factor Energy Credit (per kWh):		0.0000 ¢	0.0000 ¢
Act 141 \$ in Base Rates		NA	0.1000 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		NA	0.0540 ¢
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	AUTHORIZED RATES
INDUSTRIAL SERVICE, Cp-2 -- Transmission			
Equivalent Monthly Customer Charge		\$560.00	\$560.00
Daily Customer Charge		\$18.4110	\$18.4110
Firm Demand Charges (per kW):	Summer 12 hr. On-pk	\$11.20	\$11.20
	Non-Summer	\$9.84	\$9.84
	Summer 14 hr. On-pk	\$10.67	\$10.67
	Non-Summer	\$9.37	\$9.37
Customer Demand Charge		\$1.00	\$1.00
Cp-2C Standby Demand Charge		\$2.00	\$2.00
Interruptible Demand Charges:			
1 Hr. Notice (12 hr):	Summer	\$7.30	\$7.30
	Non-Summer	\$5.94	\$5.94
Instantaneous (12 hr):	Summer	\$6.44	\$6.44
	Non-Summer	\$5.08	\$5.08
1 Hr. Notice (14 hr):	Summer	\$6.77	\$6.77
	Non-Summer	\$5.47	\$5.47
Instantaneous (14 hr):	Summer	\$5.91	\$5.91
	Non-Summer	\$4.61	\$4.61
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	6.2340 ¢	6.3770 ¢
	Non-Summer	5.3270 ¢	5.4700 ¢
Off-Peak (12 hr.):	Summer	3.4130 ¢	3.5560 ¢
	Non-Summer	3.4130 ¢	3.5560 ¢
On-Peak (14 hr.):	Summer	5.9370 ¢	6.0800 ¢
	Non-Summer	5.0730 ¢	5.2160 ¢
Off-Peak (10 hr.):	Summer	3.4130 ¢	3.5560 ¢
	Non-Summer	3.4130 ¢	3.5560 ¢
Reactive Energy (per RkVAh)		0.1015 ¢	0.1015 ¢
Load Factor Energy Credit (per kWh):		0.4500 ¢	0.4500 ¢
Act 141 \$ in Base Rates		NA	0.1000 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		NA	0.0540 ¢
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	AUTHORIZED RATES
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TRAFFIC SIGNAL SERVICE, Mz-1

Equivalent Monthly Customer Charge -- 1-phase Secondary	\$5.08	\$5.08
Daily Customer Charge	\$0.1670	\$0.1670
Energy Charge (per kWh): Summer	9.9600 ¢	10.1030 ¢
Non-Summer	8.9900 ¢	9.1330 ¢
Fuel Adjustment Clause (per kWh)	0.1435 ¢	0.0000 ¢

CIVIL DEFENSE & FIRE SIRENS SERVICE, Mz-2

Equivalent Monthly Customer Charge:	Single-phase Secondary	\$1.22	\$1.22
	Three-phase Secondary	\$4.69	\$4.69
	3 phase Add'l. 10 kW	\$1.23	\$1.23
Daily Customer Charge:	Single-phase Secondary	\$0.0401	\$0.0401
	Three-phase Secondary	\$0.1542	\$0.1542
	3 phase Add'l. 10 kW	\$0.0404	\$0.0404
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

STREET LIGHTING SERVICE, Ms-1

Annual Charges (per Unit):			
Horizontal Mast Arm		\$99.20	\$99.20
Horizontal Bracket		\$75.10	\$75.10
Aluminum Pole		\$138.20	\$138.20
Aluminum Pole - Pole Upfront		\$56.80	\$56.80
Aluminum Pole - Pole & Fixture		\$36.10	\$36.10
Concrete Pole		\$218.50	\$218.50
Concrete Pole - Pole Upfront		\$56.80	\$56.80
Concrete Pole - Pole & Fixture		\$36.10	\$36.10
Energy Charge (per kWh): Summer		5.6900 ¢	5.8330 ¢
Non-Summer		5.6900 ¢	5.8330 ¢
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢
Daily Credits for Continued Lamp Outage (per Fixture):			
S54-SB-100 (100 W HPS w/ 17 W ballast)		7.2960 ¢	7.4790 ¢
S55SC-150 (150 W HPS w/ 25 W ballast)		10.9120 ¢	11.1870 ¢
S50VA-250/S (250 W HPS w/ 45 W ballast)		18.3950 ¢	18.8570 ¢
S51WA-400 (400 W HPS w/ 80 W ballast)		29.9310 ¢	30.6830 ¢

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	AUTHORIZED RATES
AREA LIGHTING SERVICE, Ms-3		
Monthly Charges (per Fixture):		
100W Existing Wood Pole Roadway Overhead	\$11.30	\$11.43
150W Existing Wood Pole Roadway Overhead	\$12.69	\$12.82
250W Existing Wood Pole Roadway Overhead	\$16.03	\$16.16
250W Existing Wood Pole Flood Overhead	\$17.43	\$17.56
400W Existing Wood Pole Flood Overhead	\$19.25	\$19.38
100W New Wood Pole Roadway Overhead	\$20.76	\$20.89
150W New Wood Pole Roadway Overhead	\$22.06	\$22.19
250W New Wood Pole Roadway Overhead	\$25.39	\$25.52
250W New Wood Pole Flood Overhead	\$26.89	\$27.02
400W New Wood Pole Flood Overhead	\$28.73	\$28.86
100W New Decorative Pole Roadway Overhead	\$23.45	\$23.58
150W New Decorative Pole Roadway Overhead	\$24.74	\$24.87
250W New Decorative Pole Roadway Overhead	\$27.43	\$27.56
250W New Decorative Pole Flood Overhead	\$29.36	\$29.49
400W New Decorative Pole Flood Overhead	\$31.41	\$31.54
100W Existing Wood Pole Roadway Undergnd	\$20.01	\$20.14
150W Existing Wood Pole Roadway Undergnd	\$20.76	\$20.89
250W Existing Wood Pole Roadway Undergnd	\$23.78	\$23.91
250W Existing Wood Pole Flood Underground	\$25.06	\$25.19
400W Existing Wood Pole Flood Underground	\$27.43	\$27.56
100W New Wood Pole Roadway Underground	\$29.36	\$29.49
150W New Wood Pole Roadway Underground	\$30.34	\$30.47
250W New Wood Pole Roadway Underground	\$33.13	\$33.26
250W New Wood Pole Flood Underground	\$34.54	\$34.67
400W New Wood Pole Flood Underground	\$37.01	\$37.14
70W Upfront Concrete/Fiberglass Pole Acorn	\$22.06	\$22.19
70W New Concrete Pole Acorn	\$24.42	\$24.55
70W New Fiberglass Pole Acorn	\$24.42	\$24.55
150W Upfront Concrete/Fiberglass Pole Acorn	\$24.74	\$24.87
150W New Concrete Pole Acorn	\$37.44	\$37.57
150W New Fiberglass Pole Acorn	\$34.85	\$34.98

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Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	AUTHORIZED RATES
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AREA LIGHTING SERVICE, Ms-3 (Continued)

Monthly Charges (per Fixture):		
70W Upfront Concrete/Fiberglass Pole Colonial	\$19.25	\$19.38
70W New Concrete Pole Colonial	\$20.44	\$20.57
70W New Fiberglass Pole Colonial	\$20.44	\$20.57
150W Upfront Concrete/Fiberglass Pole Colonial	\$20.76	\$20.89
150W New Concrete Pole Colonial	\$32.82	\$32.95
150W New Fiberglass Pole Colonial	\$30.01	\$30.14
250W Upfront Pole Downlight Fixture	\$23.45	\$23.58
250W Upfront Downlight Additional Fixture	\$23.45	\$23.58
250W New Pole Downlight Fixture	\$39.80	\$39.93
400W Upfront Pole Downlight Fixture	\$24.74	\$24.87
400W Upfront Downlight Additional Fixture	\$24.74	\$24.87
400W New Pole Downlight Fixture	\$46.15	\$46.28
250W Upfront Pole Metal Halide Fixture	\$26.15	\$26.28
250W Upfront Metal Halide Additional Fixture	\$26.15	\$26.28
250W New Pole Metal Halide Fixture	\$42.49	\$42.62
400W Upfront Pole Metal Halide Fixture	\$27.43	\$27.56
400W Upfront Metal Halide Additional Fixture	\$27.43	\$27.56
400W New Pole Metal Halide Fixture	\$48.95	\$49.08
Fuel Adjustment Clause (per Fixture)	13.000 ¢	0.0000 ¢

DECORATIVE LIGHTING SERVICE, Ms-2

Monthly Charges (per Fixture):			
70 W Single		\$17.25	\$17.25
70 W Double		\$25.98	\$25.98
Energy Charge (per kWh):	Summer	5.6900 ¢	5.8330 ¢
	Non-Summer	5.6900 ¢	5.8330 ¢
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

NON-STANDARD LIGHTING SERVICE, NL-1

Monthly Rate (applies to \$ of investment)		1.80%	1.80%
Energy Charge (per kWh):	Summer	5.9000 ¢	6.0430 ¢
	Non-Summer	5.9000 ¢	6.0430 ¢
Fuel Adjustment Clause (per kWh)		0.1435 ¢	0.0000 ¢

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	AUTHORIZED RATES
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PARALLEL GENERATION, Pgs-1 & Pg-3

Equivalent Monthly Customer Charge:	For Facilities Rated at 20-200 kW	\$9.75	\$9.75
	For Facilities Rated > 200 kW	\$19.50	\$19.50
Daily Customer Charge:	For Facilities Rated at 20-200 kW	\$0.3205	\$0.3205
	For Facilities Rated > 200 kW	\$0.6411	\$0.6411
Standard Energy Payments - based on Delivery Voltage (per kWh):			
Transmission Voltage:	On-Peak	8.090 ¢	8.090 ¢
	Off-Peak	3.510 ¢	3.510 ¢
Primary Voltage:	On-Peak	8.310 ¢	8.310 ¢
	Off-Peak	3.600 ¢	3.600 ¢
Secondary Voltage	On-Peak	8.090 ¢	8.090 ¢
	Off-Peak	3.500 ¢	3.500 ¢

TRANSFORMER RENTAL, Cp-8**AVERAGE COST of TRANSFORMERS**

Pole Mount - Single Phase

3 kVA or Smaller	\$465.99	\$465.99
10 kVA	\$418.63	\$418.63
25 kVA	\$600.91	\$600.91
50 kVA	\$941.96	\$941.96
75 kVA	\$1,573.86	\$1,573.86
100 kVA	\$2,046.58	\$2,046.58
167 kVA	\$2,431.61	\$2,431.61

Pad Mount - Single Phase

25 kVA	\$985.98	\$985.98
50 kVA	\$1,163.77	\$1,163.77
100 kVA	\$1,656.37	\$1,656.37
167 kVA	\$2,207.75	\$2,207.75

Continued on next page.

Wisconsin Power & Light Company
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES	PRESENT	AUTHORIZED
BY RATE CLASSIFICATION	RATES	RATES

TRANSFORMER RENTAL, Cp-8 (continued)**AVERAGE COST of TRANSFORMERS****Pad Mount - Three Phase**

75 kVA		\$3,394.68	\$3,394.68
150 kVA		\$3,910.95	\$3,910.95
300 kVA		\$4,699.75	\$4,699.75
500 kVA		\$6,603.56	\$6,603.56
750 kVA		\$9,049.11	\$9,049.11
1000 kVA		\$10,066.60	\$10,066.60
1500 kVA		\$14,051.82	\$14,051.82
2500 kVA		\$19,964.74	\$19,964.74

MONTHLY CHARGES for TRANSFORMERS**Pole Mount - Single Phase**

3 kVA or Smaller	per Month	\$6.99	\$6.99
10 kVA	per Month	\$6.28	\$6.28
25 kVA	per Month	\$9.01	\$9.01
50 kVA	per Month	\$14.13	\$14.13
75 kVA	per Month	\$23.61	\$23.61
100 kVA	per Month	\$30.70	\$30.70
167 kVA	per Month	\$36.47	\$36.47

Pad Mount - Single Phase

25 kVA	per Month	\$14.79	\$14.79
50 kVA	per Month	\$17.46	\$17.46
100 kVA	per Month	\$24.85	\$24.85
167 kVA	per Month	\$33.12	\$33.12

Pad Mount - Three Phase

75 kVA	per Month	\$50.92	\$50.92
150 kVA	per Month	\$58.66	\$58.66
300 kVA	per Month	\$70.50	\$70.50
500 kVA	per Month	\$99.05	\$99.05
750 kVA	per Month	\$135.74	\$135.74
1000 kVA	per Month	\$151.00	\$151.00
1500 kVA	per Month	\$210.78	\$210.78
2500 kVA	per Month	\$299.47	\$299.47

Wisconsin Power and Light Company**Gas Rate Comparison
Present and Authorized Gas Rates****Residential**

Daily Customer Charge (GG-1)	\$	0.2630	\$	0.2630
Volumetric Charges:				
Distribution Service Charge (GG-1)	\$	0.2610	\$	0.2394
Competitive Supply Charge (GG-1)	\$	0.0380	\$	0.0380

Commercial (Annual Usage < 5,000 therms)

Daily Customer Charge (GC-1F, GC-1T)	\$	0.3902	\$	0.3902
Transportation Administrative Charge (GC-1T)	\$	0.9863	\$	0.9863
Volumetric Charges:				
Distribution Service Charge (CG-1F, CG-1T)	\$	0.2009	\$	0.1843
Competitive Supply Charge (CG-1F)	\$	0.0329	\$	0.0329

Commercial (Annual Usage 5,000 - 19,999 therms)

Daily Customer Charge (GC-2F, GC-2T)	\$	1.7670	\$	1.7670
Transportation Administrative Charge (GC-2T)	\$	0.9863	\$	0.9863
Volumetric Charges:				
Distribution Service Charge (GC-2F, GC-2T)	\$	0.1008	\$	0.0907
Competitive Supply Charge (GC-2F)	\$	0.0329	\$	0.0329

Commercial (Annual Usage 20,000 - 199,999 therms)

Daily Customer Charge (GC-3F, GC-3I, GC-3T)	\$	2.5000	\$	2.5000
Transportation Administrative Charge (GC-3T)	\$	0.9863	\$	0.9863
Volumetric Charges:				
Distribution Service Charge (GC-3F, GC-3I, GC-3T)	\$	0.0898	\$	0.0837
Competitive Supply Charge (GC-3F)	\$	0.0329	\$	0.0329
Competitive Supply Charge (GC-3I)	\$	0.0287	\$	0.0287

Commercial (200,000 to 1,299,999)

Daily Basic Distribution Charge (GC-4F, GC-4I, GC-4T)	\$	21.3500	\$	21.3500
Transportation Administrative Charge (GC-4T)	\$	0.9863	\$	0.9863
Volumetric Charges:				
Distribution Service Charge (GC-4F, GC-4I)	\$	0.0688	\$	0.0641
Competitive Supply Charge (GC-4F)	\$	0.0275	\$	0.0275
Competitive Supply Charge (GC-4I)	\$	0.0233	\$	0.0233

Wisconsin Power and Light Company**Gas Rate Comparison
Present and Authorized Gas Rates****Commercial (1,300,000 to 7,499,999)**

Daily Basic Distribution Charge (GC-5F, GC-5I, GC-5T)	\$ 36.1598	\$ 36.1598
Transportation Administrative Charge (GC-5T)	\$ 0.9863	\$ 0.9863
Volumetric Charges:		
Distribution Service Charge (GC-5F, GC-5I)	\$ 0.0467	\$ 0.0439
Competitive Supply Charge (GC-5F)	\$ 0.0275	\$ 0.0275
Competitive Supply Charge (GC-5I)	\$ 0.0233	\$ 0.0233

Commercial (7,500,000+)

Daily Basic Distribution Charge (GC-6F, GC-6I, GC-6T)	\$ 41.0998	\$ 41.0998
Transportation Administrative Charge (GC-6T)	\$ 0.9863	\$ 0.9863
Volumetric Charges:		
Distribution Service Charge (GC-6F, GC-6I, GC-6T)	\$ 0.0326	\$ 0.0307
Competitive Supply Charge (GC-6F)	\$ 0.0275	\$ 0.0275
Competitive Supply Charge (GC-6I)	\$ 0.0233	\$ 0.0233

Small Generation (200,000 to 7,500,000)

Daily Basic Distribution Charge (GN-9F, GN-9I, GN-9T)	\$ 36.1598	\$ 36.1598
Transportation Administrative Charge (GN-9T)	\$ 0.9863	\$ 0.9863
Volumetric Charges:		
Distribution Service Charge (GN-9F, GN-9I, GN-9T)	\$ 0.0492	\$ 0.0458
Competitive Supply Charge (GN-9F)	\$ 0.0275	\$ 0.0275
Competitive Supply Charge (GN-9I)	\$ 0.0233	\$ 0.0233

Large Generation (7,500,000+)

Daily Basic Distribution Charge (GN-10F, GN-10I)	\$ 50.0000	\$ 50.0000
Transportation Administrative Charge (GN-10T)	\$ 0.9863	\$ 0.9863
Volumetric Charges:		
Distribution Service Charge (GN-10F, GN-10I, GN-10T)	\$ 0.0328	\$ 0.0310
Competitive Supply Charge (GN-10F)	\$ 0.0275	\$ 0.0275
Competitive Supply Charge (GN-10I)	\$ 0.0233	\$ 0.0233

Wisconsin Power and Light Company**Gas Rate Comparison
Present and Authorized Gas Rates****Seasonal/Agricultural Service (< 200,000)**

Daily Basic Distribution Charge (S-1)	\$	1.2200	\$	1.2200
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Volumetric Charges:**Distribution Service Charge - Off Season (S-1)**

First 1,000 Therms	\$	0.1404	\$	0.1326
Next 2,000 Therms	\$	0.1049	\$	0.0971
Over 3,000 Therms	\$	0.0894	\$	0.0816

Distribution Service Charge - On Season (S-1)

First 1,000 Therms	\$	0.1404	\$	0.1326
Next 2,000 Therms	\$	0.1404	\$	0.1326
Over 3,000 Therms	\$	0.1404	\$	0.1326

Competitive Supply Charge (S-1)	\$	0.0287	\$	0.0287
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Base Cost of Gas Rates

Base Commodity Rate Therm	\$	1.0286	\$	1.1620
Base Maximum Daily Delivery Rate	\$	0.0922	\$	0.0922
Base Annual Demand Rate	\$	0.0413	\$	0.0413
Lost and Unaccounted for Gas Factor		1.46%		1.23%
FT-1 Peak Demand	\$	0.4620	\$	0.4620
FT-1 Annual Demand	\$	0.0413	\$	0.0413

Act 141 Volumetric Distribution Rates 1/

Residential GG-1	\$	-	\$	0.0110
Commercial GC-1 (0 to 4,999)	\$	-	\$	0.0030
Commercial GC-2 (5,000 to 19,999)	\$	-	\$	0.0030
Commercial GC-3 (20,000 to 199,999)	\$	-	\$	0.0030
Commercial GC-4 (200,000 to 1,299,999)	\$	-	\$	0.0030
Commercial GC-5 (1,300,000 to 7,499,999)	\$	-	\$	0.0030
Commercial GC-6 (7,500,000+)	\$	-	\$	0.0030
Sm. Generation GN-9 (200,000 to 7,499,999)	\$	-	\$	0.0034
Lrg. Generation GN-10 (7,500,000+)	\$	-	\$	0.0340
Seasonal/Agricultural Service (< 200,000)	\$	-	\$	0.0030

1/ Act 141 volumetric distribution rates are included in the
above volumetric Distribution Service Charges.

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Wisconsin Power and Light
Company for Authority to Adjust Retail
Electric and Natural Gas Rates

Docket No. 6680-UR-116

STIPULATION

Whereas, Wisconsin Power and Light Company (WPL) has pending before the Public Service Commission of Wisconsin ("PSC" or "Commission") a request to establish electric and natural gas rates for a 2009 Test Year in the above-captioned proceeding ("rate case"); and

Whereas, WPL's application was filed on February 22, 2008 and reflected assumptions based upon the best available information at that time regarding issues such as, without limitation, pension and post-retirement benefit costs anticipated for 2009, fuel costs forecasted for 2009, sales forecasted for 2009, and capital projects proposed and pending before the Commission for which expenditures would be incurred in 2009 if those projects received Commission approval; and

Whereas, the Citizens Utility Board ("CUB") and the Wisconsin Industrial Energy Group ("WIEG") (collectively, "Intervenors") have intervened in the rate case; and

Whereas, WPL and Intervenors wish to settle the contested issues in the rate case;

Now, therefore, WPL and the Intervenors hereby stipulate that the Commission may, without further hearing, enter a final order in this docket as follows:

1. WPL's current retail electric rates shall remain in effect for 2009. For the avoidance of doubt, WPL's current retail electric rates are the combination of the Commission's rate order of January 19, 2007 in Docket No. 6680-UR-115 as supplemented by the Commission

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rate order of November 29, 2007 and the interim order issued on April 24, 2008 in Docket No. 6680-FR-101. That portion of WPL's current electric rates designated as a "fuel surcharge" pursuant to the interim order issued on April 24, 2008 in Docket No. 6680-FR-101 shall be added to the energy portion of WPL's 2009 retail electric rates and the 2008 "fuel surcharge" shall be eliminated in that form. In proposing these retail electric rates for 2009, and in the course of these proceedings since, at the latest, the prehearing conference held on May 29, 2008, the parties and Commission staff have utilized a retail electric sales forecast of 11,135,058 megawatt-hours ("MWh") energy used at the customer meter throughout 2009.

2. For 2009, WPL's natural gas rates are lowered by \$3,884,000. The parties agree that the Commission may determine the appropriate customer class natural gas revenue allocation of this reduction, and that such decision may be delegated to Commission staff.

3. WPL and Intervenors agree that WPL should be authorized to defer the following items, separate from and in addition to those deferral amortizations that were included in Appendix E in the rate order issued by the Commission in Docket No. 6680-UR-115, which are addressed separately in ¶ 6 and in the proposed Appendix A to this order:

- WPL is authorized to defer the incremental retail pension and benefit operating and maintenance expense in excess of \$3,174,000 (retail electric portion) and \$604,000 (retail gas portion).
- WPL is authorized to defer any change in the retail portion of network wheeling costs charged by ATCLLC to WPL that is different from a total charge of \$87,317,000, of which the retail portion is \$82,443,000.
- WPL is authorized to defer any change in emission allowance expense that is different from a total charge of \$2,993,000, of which the retail portion is \$2,332,000.
- WPL is authorized to defer any change in Cedar Ridge Wind Farm depreciation expense that is different from a total expense of \$8,466,000 total, of which the retail portion of \$6,595,000, and any retail revenue requirements for any difference in net investment rate base for the Cedar Ridge Wind Farm from

Appendix D

\$148,380,000 total WPL costs, of which the retail portion is \$115,596,000. Such revenue requirements are authorized to be computed at the most recently approved economic cost of capital.

- WPL is authorized to accrue carrying costs on new deferrals at the most recently approved short term debt cost rate.

4. WPL is authorized to record as conservation expense its adjusted budget amounts of \$27,798,000 for retail electric and \$7,312,000 for retail gas expense effective January 1, 2009. WPL shall amortize over/(under) conservation escrow account expense in 2009 of (\$879,000) for retail electric and \$710,000 for retail gas. Total conservation expense authorized to be recorded by WPL in 2009 is \$26,919,000 for retail electric and \$8,022,000 for retail gas. The revenue requirement includes dollars that reflect a Shared Savings investment level of \$40 million. WPL should be authorized to continue this existing Shared Savings investment level contingent upon Commission approval of WP&L's Shared Savings program proposal under PSC Chapter 137 and provided that WPL by June 30, 2009 shall consult with stakeholders and report on alternatives to increase the cost-effectiveness of the Shared Savings program. WPL is authorized to continue to use the conservation escrow accounting method for all conservation costs including, but not limited to, costs associated with the implementation of Wisconsin Act 141 and with WPL's Shared Savings program investments.

5. WPL is authorized to defer any retail revenue reduction impacts resulting from the Wisconsin Act 141 billing limitations on certain retail customers. Such deferred collection amounts shall be considered as conservation escrow charges but must be maintained in separate sub-accounts for future rate case purposes to insure that such retail customers with Wisconsin Act 141 billing limitations are not charged such deferred amounts.

6. The parties agree that WPL is not limited to filing for a change in rates for 2010

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based solely on the limited reopener issues initially identified by WPL in this docket and on the deferral items identified herein. However, prior to WPL making any filing for changes in rates for 2010, the parties agree that they will meet, in conjunction with Commission staff, for a prefiling conference, the purpose of which shall be to consult with each other in an effort to develop a list of issues to be addressed in filing WPL's reopener for 2010. The parties agree to work together in good faith to limit such issues list to the necessary items and to minimize, to the extent feasible, the resources required for the parties and for Commission staff to adequately address those issues. The parties further agree that nothing in this Stipulation precludes WPL from filing for a rate adjustment in 2009 under Wis. Admin. Code PSC ch. 116 or under any other applicable provisions of Wisconsin statutes or administrative rules.

7. WPL's deferral amortizations included in Appendix E of the rate order issued in Docket No. 6680-UR-115 shall cease at the end of 2008 and shall be replaced by the deferral amortizations listed in Appendix A to this stipulation. For the avoidance of doubt, WPL shall not accrue any additional carrying charges on deferred balances included in the amortizations in Appendix A. WPL shall continue to defer costs and revenues for any previously-approved deferrals not addressed in this stipulation or its appendices.

8. WPL agrees that, in consultation with CUB, it will develop and submit for Commission consideration for implementation in 2010 a decoupling proposal substantially similar to the proposal developed by CUB and Wisconsin Public Service Corporation in Docket No. 6690-UR-119. Such a proposal will include community pilots and additional contributions to Focus on Energy.

9. WPL retail electric fuel costs for 2009 for monitoring purposes shall be as set forth in Appendix B attached to this stipulation. For purposes of Wis. Admin. Code ch. PSC 116, such

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fuel costs shall be monitored using the following ranges: plus or minus 8 percent monthly; cumulative ranges of plus or minus 8 percent for the first month of the year, plus or minus 5 percent for the second month of the year, and plus or minus 2 percent for the remaining months of the year; and plus or minus 2 percent for the annual range.

10. WPL shall report to the Commission, on a monthly basis, its actual total system cost of generation and purchased energy less the revenues from opportunity sales of energy and capacity (monitored fuel costs).

11. WPL is authorized to accrue AFUDC at the rate approved in Docket No. 6680-UR-115 on the retail portion of Construction Work in Progress that exceeds \$27,530,000 (retail electric portion) and \$3,157,000 (retail gas portion).

12. The Commission's dividend restriction on WPL as ordered in Docket No. 6680-UR-115, together with the approved percentage ranges of the various capital components for WPL's regulatory and financial capital structures and related capital issues established in Docket No. 6680-UR-115, shall remain in effect unless modified in this stipulation.

13. The parties agree that this stipulation is intended to resolve all issues in this proceeding impacting revenue requirements, whether specifically identified in this stipulation or not, for the effective period of the Commission's final order issued in this docket as stipulated herein.

14. The Commission shall approve the Advanced Renewable Tariff ("ART") proposed by WPL in this docket as modified by the stipulation reached between WPL and the Sierra Club. WPL shall file the ART and other tariffs consistent with the Commission's order in this docket, including the provisions of this and such other stipulations as may be approved by the Commission.

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15. The Commission shall approve the uncontested Transformer Rental Change proposed by WPL in this docket pursuant to the Commission's order in Docket No. 6680-UR-115.

16. The Commission shall approve the uncontested closure of Tariffs Rw-1, Rw-3, and Gw-1 to new participants as of the effective date of this order.

17. The Commission shall approve the four minor and uncontested electric tariff language changes proposed by WPL and Commission staff which address language correction in Cp-2B regarding automated notification system; elimination of redundant language in the availability section of GS-3; modification of language in Pgs-3 regarding payment for small balances due to customers; and modification of the WPL Rules and Regulations to utilize "Returned Payment" terminology in lieu of "Dishonored Check" terminology.

18. The Commission shall approve the uncontested changes proposed by WPL to the Natural Gas Commodity Balancing Service Rider, Schedule CBS-1, and the changes proposed by WPL to the Natural Gas Daily Balancing Service Rider, Schedule DBS-1, as modified by the stipulation between WPL and the Wisconsin End-User Gas and Electric Association ("WEUGEA"), together with such other changes included in the stipulation between WPL and WEUGEA.

19. The parties agree that within 90 days of the effective date of the Commission's order, WPL shall submit for consideration by the Commission a proposal for modifications to its Gas Cost Recovery Mechanism ("GCRM").

20. For purposes of the implementation of the cap on collections from large energy customers for energy efficiency programs, as provided in 2005 Wisconsin Act 141 ("Act 141"), the amount collected for purposes of Act 141 from retail electric customers under General Service tariffs is determined to be \$0.00150 per kilowatt-hour ("kWh"). The amount collected

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for purposes of Act 141 from retail electric customers under other tariffs is determined to be \$0.00100 per kWh. The amount collected for purposes of Act 141 from retail gas customers under the residential tariff is determined to be \$0.0110 per therm. The amount collected for purposes of Act 141 from retail gas customers under commercial and industrial tariffs and the seasonal agricultural tariff is determined to be \$0.0030 per therm. The amount collected for purposes of Act 141 from retail gas customers under the small generation tariff is determined to be \$0.0034 per therm and under the large generation tariff is determined to be \$0.0340 per therm. Any collections for the purposes of Act 141 which exceed the customer's cap will be refunded to the customer on at least an annual basis. Large energy customers with multiple accounts whose contributions are capped pursuant to Act 141 will have all applicable accounts, with the applicable Act 141 collections for each type of tariff, aggregated for purposes of determining when the customer has met the cap on collections. In addition, WIEG and WPL shall meet together with Commission staff, and shall work in good faith to develop alternative methods of implementing the Act 141 cap on collections for large energy customers which will, to the greatest extent feasible, minimize any excess contributions paid by those customers which would otherwise require refund. The parties agree that this aspect of this stipulation may be modified upon the agreement of WIEG, CUB, WPL, and Commission staff.

21. WPL shall prepare bill inserts that appropriately identify the rates authorized in this interim decision. WPL shall distribute the inserts to customers within the first two billing cycles beginning on January 1, 2009, and shall file copies of these inserts with the commission before it distributes the inserts to customers.

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22. WPL shall submit a ten-year financial forecast in its next rate proceeding, The forecast shall contain both regulatory and financial capital structures and contain both the amount and percentage of the various capital components.

23. The Commission's order shall be effective January 1, 2009 or one day after mailing, whichever is later.

24. The Commission's order shall specify that the Commission retains jurisdiction.

25. WPL agrees to reimburse CUB and WIEG for their attorney and expert witness fees incurred in connection with this proceeding up to the date this Stipulation is approved by the Commission, to the extent that such costs have exceeded any previous award for such fees under Wis. Stat. § 196.31 in this proceeding as may be applicable to a party.

26. WPL and the Intervenors acknowledge that this Stipulation is the result of negotiation and settlement of disputed positions and is acceptable to each only when approved by the Commission in its entirety. The individual provisions are intended to have effect only as part of the entire Stipulation. The parties further acknowledge that none view the Stipulation or any of its individual provisions, alone or in combination with others, as having any value as precedent outside the confines of Docket No. 6680-UR-116.

Dated: December 16, 2008.

WISCONSIN POWER AND LIGHT COMPANY

By: /s/ Theresa M. Hottenroth
Theresa M. Hottenroth, Attorney for WPL

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CITIZENS UTILITY BOARD

By: /s/ Curt F. Pawlisch
Curt F. Pawlisch, Attorney for CUB

WISCONSIN INDUSTRIAL ENERGY GROUP

By: /s/ Steven A. Heinzen
Steven A. Heinzen, Attorney for WIEG

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Wisconsin Power and Light Company Docket No. 6680-UR-116 Appendix A

Deferrals	PSCW Deferral Authorization	Amortization Period Remaining	Notes	Test Year Amount	
				Electric	Gas
Kewaunee Turbine	6680-UR-112	2010	1	\$86,247	\$0
Excess AFUDC		16 Years (Continuous)	1	\$671,345	\$39,812
Excess AFUDC - Common Share		11 Years (Continuous)	1	\$73,513	\$9,882
ATC/MISO Day 1 Costs	05-EI-129	2010	1	(\$123,853)	\$0
Interest on Tax Deficiencies	6680-UR-111	5 Years	1	\$61,502	\$0
Kewaunee Sales Expense	05-EI-136	2014	1	\$307,377	\$0
Kewaunee Disposal Lawsuit	05-GF-145	2010	1	(\$376,552)	\$0
MISO Day 2	05-GF-150	2010	1	\$5,015,604	\$0
Baseload Deferral	6680-GF-114	2010	1, 3	\$4,439,088	\$0
Wind Farm Deferral	6680-GF-121	2010	1	\$691,584	\$0
SO2 Emissions Credit	05-EI-113	2009	1	\$180,992	\$0
NOX Emissions Credit	6680-UR-114	2010	1	(\$76,494)	\$0
FERC Capitalized Overheads		2018	2	\$98,280	\$0
MGP Site Clean-up Costs	6680-UR-108	5 Years	1	\$0	\$797,953
Net Total				\$11,048,633	\$847,647

- (1) Applies directly to Wisconsin retail customers.
Amortizations shown for 2009 are included in rates.
All amounts beyond 2009 are subject to review in future rate case proceedings.
- (2) Applies directly to wholesale customers.
- (3) Amortized amount for this deferral includes only WPL precertification costs for the proposed Nelson Dewey 3 plant through December 31, 2007.

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**Wisconsin Power and Light Company
Docket No. 6680-UR-116
Appendix B**

Appendix B

**Wisconsin Power and Light Company
6680-UR-116
Monthly Fuel Monitoring Costs for the 12 Months Ended December 31, 2009**

<u>Line #</u>	<u>Month</u>	<u>Net MWh Produced</u>	<u>Fuel Costs</u>	<u>Fuel Costs per Net kWh Produced</u>	<u>Cumulative Cost per kWh</u>
1	January-09	1,318,944	\$ 42,163,891	\$ 0.03197	\$ 0.03197
2	February-09	1,152,853	\$ 35,649,959	\$ 0.03092	\$ 0.03148
3	March-09	1,229,347	\$ 39,106,197	\$ 0.03181	\$ 0.03159
4	April-09	1,124,572	\$ 30,570,888	\$ 0.02718	\$ 0.03056
5	May-09	1,172,789	\$ 30,911,304	\$ 0.02636	\$ 0.02974
6	June-09	1,270,198	\$ 39,012,848	\$ 0.03071	\$ 0.02991
7	July-09	1,429,751	\$ 52,485,219	\$ 0.03671	\$ 0.03103
8	August-09	1,409,790	\$ 48,237,352	\$ 0.03422	\$ 0.03147
9	September-09	1,270,252	\$ 37,997,890	\$ 0.02991	\$ 0.03130
10	October-09	1,203,032	\$ 38,517,530	\$ 0.03202	\$ 0.03137
11	November-09	1,143,313	\$ 32,945,252	\$ 0.02882	\$ 0.03116
12	December-09	1,280,515	\$ 37,124,827	\$ 0.02899	\$ 0.03097
13	Total	<u>15,005,356</u>	<u>\$ 464,723,157</u>	\$ 0.03097	\$ 0.03097

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Wisconsin Power and Light Company for Authority
to Adjust Electric and Natural Gas Rates

Docket No. 6680-UR-116

**STIPULATION OF WISCONSIN POWER AND LIGHT COMPANY AND
WISCONSIN END-USER GAS AND ELECTRIC ASSOCIATION**

1. Wisconsin Power and Light Company ("WPL") and the Wisconsin End-User Gas and Electric Association ("WEUGEA") (collectively "Parties") hereby request that the Public Service Commission ("Commission"), without further hearing, enter a final order in this docket approving the changes proposed by WPL to the Natural Gas Daily Balancing Service Rider, Schedule DBS-1, as modified by the Parties' stipulation to the provisions set forth below:

a. WPL will report to the Commission any suspension of pooling agent end-user aggregation at a specific gate station within 30 days of such suspension.

b. WPL will notify customers of any changes to gate station assignments no later than eight months prior to November 1 of each year. This notice requirement will be similar to the notice requirement under WPL's ANR Hourly Operational Flow Order Rider presently on file with the Commission.

c. WPL will eliminate the ANR-Louisiana (SE) index from WPL's calculation of its monthly Purchase Reference Price Indices (both the Overtake Purchase Reference Index Price and the Undertake Purchase Reference Index Price).

d. WPL will remove the monthly system commodity price as an alternative price to the Monthly Overtake and Undertake purchase reference price calculations contained in WPL's index calculations.

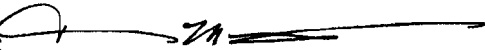
Appendix D

2. The parties further stipulate that the Commission may, without further hearing, enter an order approving the uncontested changes proposed by WPL to the Natural Gas Commodity Balancing Service Rider, Schedule CBS-1, including the elimination of the imbalance charges of the Commodity Balancing Service Rider, specifically for usage that is plus or minus 3.5 percent of the confirmed customer natural gas deliveries.

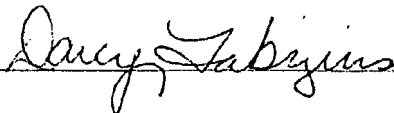
WPL shall file the revised Daily Balancing Service Rider, Schedule DBS-1, and the revised Commodity Balancing Service Rider, Schedule CBS-1, with the Commission, including the provisions of this stipulation if approved by the Commission.

Dated this 15 day of December, 2008.

WISCONSIN POWER AND LIGHT COMPANY

By:  _____

WISCONSIN END-USER GAS AND ELECTRIC
ASSOCIATION

By:  _____

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Power and Light
Company for Authority to Adjust
Electric and Natural Gas Rates

Docket No. 6680-UR-116

SOLAR ENERGY STIPULATION
BETWEEN
WISCONSIN POWER AND LIGHT COMPANY AND SIERRA CLUB

Wisconsin Power and Light Company ("WPL") and the Sierra Club hereby stipulate that the Public Service Commission of Wisconsin may incorporate the following terms in its final order in this proceeding, as follows:

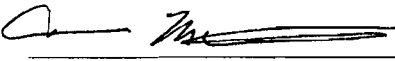
1. That, in WPL's Advanced Renewable Tariff (Paragraph 4. Individual Generation Project Size and Overall Subscription Limitations)[Exhibit 65, Schedule 15], the Overall Program Cap on customer-acquired solar power be increased from the proposed 200 kW to 683 kW provided from WPL's Second Nature resource portfolio in 2009 and 2010.
2. That the rate premium charged customers to participate in WPL's Second Nature program be no higher than 2 cents per kWh.
3. That WPL supports the formation of a statewide utility collaborative on the development and deployment of utility solar renewable energy systems ("DPV") and will be an active participant in any such statewide utility collaborative.

Appendix D

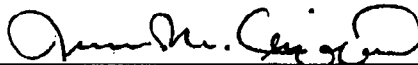
4. That WPL does not object to Sierra Club's request for supplementary intervenor compensation in this docket up to \$11,000.00.

Dated December 15, 2008.

WISCONSIN POWER AND LIGHT COMPANY

By: 
Theresa Hottenroth
Attorney

THE SIERRA CLUB

By: 
Linda M. Clifford
Attorney